

## 728.307-2

or of the country of the employee's nationality, whichever offers greater benefits. The Department of Labor has granted partial blanket waivers of DBA coverage applicable to USAID-financed contracts performed in certain countries, subject to two conditions:

(1) Employees hired in the United States by the contractor, and citizens or residents of the United States are to be provided DBA insurance coverage;

(2) Waived employees (i.e., employees who are neither U.S. citizens nor U.S. resident aliens, and who were hired outside the United States) will be provided worker's compensation benefits as required by the laws of the country in which they are working or the laws of their native country, whichever offers greater benefits. Information as to whether a DBA Waiver has been obtained by USAID for a particular country may be obtained from the cognizant USAID contracting officer.

(b) To assist contractors in securing insurance at minimal rates for the workmen's compensation insurance required under the DBA, and to facilitate meeting insurance requirements for such coverage, USAID, after open and competitive negotiation, has entered into a contract with an insurance carrier to provide such coverage at a specified rate. The terms of this contract require the insurance carrier to provide coverage, and the contractor to make payments to and handle its claims with that insurance carrier. Contracting officers are responsible for explaining and advising contractors of the details of securing such insurance.

[49 FR 13249, Apr. 3, 1984, as amended at 52 FR 4144, Feb. 10, 1987. Redesignated at 53 FR 50630, Dec. 16, 1988, and amended at 54 FR 16122, Apr. 21, 1989; 56 FR 67224, Dec. 30, 1991]

## 728.307-2 Liability.

(a)-(b) [Reserved]

(c) *Automobile liability.* In order to ensure that private automobiles used by contractor employees stationed overseas under an USAID contract are properly insured, USAID has established minimum required coverages as a supplement to the FAR clause at 52.228-7. This supplemental coverage is specified in AIDAR 752.228-7, and is to

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be used in all USAID-direct contracts involving performance overseas.

[53 FR 50630, Dec. 16, 1988]

## 728.307-70 Medical Evacuation (MEDEVAC) Services (Mar 1993).

The Contracting Officer shall insert the clause at 752.228-70 in all contracts which require performance by contractor employees overseas.

[59 FR 33446, June 29, 1994]

## 728.309 Contract clause for worker's compensation insurance.

(a) Because of the volume of projects performed overseas resulting in contracts which require worker's compensation insurance, USAID has contracted with an insurance carrier to provide the required insurance for all USAID contractors. It is therefore necessary to supplement the FAR clause at 52.228-3 with the additional coverage specified in AIDAR 752.228-3. The coverage specified in AIDAR 752.228-3 shall be used in addition to the coverage specified in FAR 52.228-3 in all USAID-direct contracts involving performance overseas.

[53 FR 50630, Dec. 16, 1988]

## 728.313 Contract clauses for insurance of transportation or transportation-related services.

(a) USAID is required by law to include language in all its direct contracts and subcontracts ensuring that all U.S. marine insurance companies have a fair opportunity to bid for marine insurance when such insurance is necessary or appropriate under the contract. USAID has therefore established a supplementary preface to the clause at FAR 52.228-9. This supplementary preface is set forth in AIDAR 752.228-9, and is required for use in any USAID-direct contract where marine insurance is necessary or appropriate.

[53 FR 50630, Dec. 16, 1988]

## PART 731—CONTRACT COST PRINCIPLES AND PROCEDURES

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## Agency for International Development

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- 731.771 Bid and proposal costs.
- 731.772 Compensation for personal services.
- 731.773 Independent research and development costs.
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AUTHORITY: Sec. 621, Pub. L. 87-195, 75 Stat. 445, (22 U.S.C. 2381) as amended; E.O. 12163, Sept. 29, 1979, 44 FR 56673; 3 CFR, 1979 Comp., p. 435.

SOURCE: 49 FR 13250, Apr. 3, 1984, unless otherwise noted.

### Subpart 731.1—Applicability

#### 731.109 Advance agreements.

Advance agreements on selected costs may be negotiated with USAID contractors by the Overhead and Special Cost and Contract Close-Out Branch, Office of Procurement. Such advance understandings will be applicable to all USAID contracts with that contractor.

[49 FR 13250, Apr. 3, 1984, as amended at 50 FR 50302, Dec. 10, 1985; 51 FR 20651, June 6, 1986]

### Subpart 731.2—Contracts With Commercial Organizations

#### 731.205-6 Compensation for personal services.

(a) *General.* When establishing the workweek for employees overseas the contractor will take local and USAID Mission practice into account and will insure that the workweek is compat-

ible with that of those USAID Mission and Cooperating Country employees with whom the contractor will be working.

(b) *Reasonableness.* ADS Chapter 302.5.3 states USAID policy regarding personnel compensation exceeding the maximum annual rate for an Executive Service level ES-6. Consistent with this policy, any employee's or consultant's base salary plus overseas recruitment incentive, if any (see 731.205-70), subject to this policy will be allowable under USAID-direct contracts only if approved in accordance with the essential procedures in ADS chapter E302.5.3. USAID policies on compensation of third country national or cooperating country national employees are set forth in AIDAR 722.170.

(d)-(1) [Reserved]

(m) *Fringe benefits.* USAID's policies on certain fringe benefits related to overseas service, including but not limited to leave, holidays, differentials and allowances, etc. are set forth in the appropriate contract clauses in AIDAR subpart 752.70.

[57 FR 5235, Feb. 13, 1992, as amended at 60 FR 11913, Mar. 3, 1995; 62 FR 40468, July 29, 1997; 64 FR 5008, Feb. 2, 1999]

#### 731.205-46 Travel costs.

It is USAID policy to require prior written approval of international travel by the Contacting Officer. See AIDAR 752.7032 for specific requirements and procedures.

[57 FR 5236, Feb. 13, 1992]

#### 731.205-70 Overseas recruitment incentive.

NOTE: the term *employee* as used in this section means an employee who is a U.S. citizen or a U.S. resident alien.)

(a) If a contractor employee serving overseas under a contract does not qualify for the exemption for overseas income provided under section 911 of the U.S. Internal Revenue Code (26 U.S.C. 911), such employee is eligible to receive an overseas recruitment incentive (ORI), to the extent the ORI: Is authorized by the contractor's normal policy and practice; is deemed necessary by the contractor to recruit and retain qualified employees for overseas services; and does not exceed 10% of